VZCZCXRO1578 PP RUEHCN DE RUEHHK #0947/01 0670353 ZNY CCCCC ZZH P 080353Z MAR 06 FM AMCONSUL HONG KONG TO RUEHC/SECSTATE WASHDC PRIORITY 5350 INFO RUEHBJ/AMEMBASSY BEIJING 8206 RUEHUL/AMEMBASSY SEOUL 2385 RUEHGP/AMEMBASSY SINGAPORE 2738 RUEHKO/AMEMBASSY TOKYO 3907 RUEHCN/AMCONSUL CHENGDU 0751 RUEHGZ/AMCONSUL GUANGZHOU 9559 RUESLE/AMCONSUL SHANGHAI 2350 RUEHSH/AMCONSUL SHENYANG 3242 RUEHIN/AIT TAIPEI 3681 RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 HONG KONG 000947

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DEPARTMENT FOR EAP, EAP/CM NSC FOR WILDER

E.O. 12958: DECL: 03/08/2031
TAGS: PREL PGOV ECON PINR HK CH
SUBJECT: CONUL GENERAL'S INITIAL CALL ON NEW MFA
COMMISSIONE LU XINHUA

REF: A. HONG KONG 851

_B. 05 HNG KONG 4262

Classified By: Consul General Jame b. Cunningham. Reasons: 1.4 (b,d).

Summary

- 11. (C) On March 7, Consul General Cunningam called on newly arrived PRC MFA Commissioner u Xinhua at the Commission. Agreeng on the importance of Hong Kong's successful implementation of "one country, two systems" to both countries, they both hoped to enjoy a cooperative relationship and to work together to resolve any problems. Lu noted that "almost all" of the consulates in Hong Kong focused on their own business, but the U.S. seemed interested in Hong Kong developments. Cunningham said the U.S. has a variety of interests in Hong Kong, and that he would always be available to Lu if he had questions about U.S. views. While we would not always agree, China and the U.S. both had an interest in Hong Kong's continuing success. Lu emphasized the commitment of the Central Government to Hong Kong,s prosperity and stability. He delivered standard points on Taiwan and welcomed Cunningham,s intention to visit Guangdong Province in the near future. End Summary.
- 12. (C) On March 7, the Consul General paid an initial call on Lu Xinhua, the newly arrived Commissioner to Hong Kong of the PRC Ministry of Foreign Affairs. Lu began with pleasantries in English, but switched to Chinese once all were seated. However, he listened to Cunningham's English without interpretation. The meeting's tone was cordial, although Lu pointedly noted that almost all of the consulates in Hong Kong focused on their own business. (In press interviews prior to arrival, he had criticized foreign interference in Hong Kong's affairs, ref a.)
- 13. (C) Introducing himself, Lu briefly recapped his biography, noting that like Cunningham, he had worked at the United Nations, but not at the same time. Most recently, he had responsibility for administrative affairs at the PRC Foreign Ministry. In that capacity he was involved in negotiations to build new Chinese and U.S. Embassies in the respective capitals, and was pleased that the last obstacles to beginning construction of the Chinese Embassy in Washington had been resolved just as he was preparing to come

to Hong Kong. To reach that success, both sides had dealt with one tough issue after another. Although Lu had not worked in Hong Kong before, in his capacity as secretary to Vice Premier Qian Qichen, he was familiar with Hong Kong issues and participated in both the 1997 handover ceremony and the 1998 first anniversary ceremony. However, it has been seven years since his last visit to Hong Kong.

14. (C) Welcoming Lu to Hong Kong, Cunningham said that he had enjoyed good relations with Lu's predecessor, and had also worked closely with his Chinese colleagues during his five years at the United Nations. He had enjoyed productive relations with his counterparts, and even when it was not possible to agree, they had always been able to talk over issues and find the points on which agreement was still possible. He hoped to enjoy the same kind of relationship with Lu; if Lu ever had questions about U.S. policy or issues to raise, he encouraged Lu to contact him.

Both place great importance on Hong Kong

- 15. (C) Lu explained that, prior to taking up his post, he had met with State Councillor Tang Jiaxuan, the Foreign Minister, and other senior officials concerned with Hong Kong. They all encouraged him to pay careful attention to local issues, in order to ensure the success of "one country, two systems," and reminded him of the high value that the central government placed on Hong Kong's stability and prosperity.
- $\P6.$ (C) Cunningham responded that we shared an interest in seeing "one country, two systems" succeed. Hong Kong is

HONG KONG 00000947 002 OF 002

important to us in its own right, and for the role it plays as a part of China. One of the most interesting aspects of Hong Kong is the way it shows how China and the West can work together, something which the United States values. We also have a close working relationship with the Hong Kong Government. He recalled his meeting with PRC Vice President Zeng Qinghong at the opening of Hong Kong Disneyland last September: Zeng emphasized the central government's interest in Hong Kong's stability and prosperity, as well as its international role (ref b).

Taiwan, NPC, Consul General's Guangdong Trip

- ¶7. (C) Lu briefly raised Taiwan, repeating standard points on the recent statements by Chen Shui-bian regarding the National Unification Council, emphasizing China's hope that the U.S. avoid sending the wrong signal to Taiwan, and noting that arms sales could constitute such a signal. Lu also described the broad goals of the 11th Five Year Plan now being considered by the National People's Congress (NPC) in Beijing.
- 18. (C) Cunningham told Lu that we were well aware of the seriousness with which the mainland viewed Taiwan; our own position is clear. We are also following the NPC meetings, and in particular the shift in emphasis to economic development in the rural sector. He told Lu he had visited Shanghai last month, and hoped to visit Guangzhou, Shenzhen and other places in the Pearl River Delta in the latter part of this month. China's economic growth and ambitious goals were impressive. Commissioner Lu responded that it would be good for the Consul General to visit the Pearl River Delta. Cunningham